

**RIO DELL CITY COUNCIL
REGULAR MEETING
APRIL 20, 2010
MINUTES**

The Regular Meeting of the Rio Dell City Council was called to order at 6:35 P.M. by Mayor Woodall.

ROLL CALL: Present: Mayor Woodall, Councilmembers Barsanti, Dunker, Marks and Thompson

Others Present: Interim City Manager Stretch, Chief of Police Hill, Finance Director Beauchaine, Acting Public Works Director Jensen, and City Clerk Dunham

CONSENT CALENDAR

Councilmember Marks announced she would like to remove for separate discussion Item 4 *Amendment 4 to the Scope of Services relating to the Wildwood Ave. Paving and Pedestrian Improvement Project in the amount of \$87,000.* Councilmember Dunker also requested Item 2 *Support for Councilmember Thompson's offer to serve as a City Representative to LAFCo* be removed and placed under Special Call Items for separate discussion.

Motion was made by Dunker/Marks to approve the consent calendar including the approval of minutes of the April 6, 2010 Regular Meeting; and approval of planting of six trees at the City owned property located on Riverside Dr. and one at City Hall. Motion carried 5-0.

ORDINANCES/SPECIAL RESOLUTIONS

Conduct Public Hearing/Approve Interim Urgency Ordinance No. 265-2010 Authorizing a Moratorium on the Legal Establishment and Operation of Medical Marijuana Dispensaries
Interim City Manager Stretch stated at the request of Councilmember Thompson, this item was placed on the agenda for council action. He explained as a result of enactment of Proposition 215 which authorizes the use of marijuana for medicinal purposes, and more recently, a unanimous decision by the California Supreme Court eliminating restrictions on the amount of marijuana a qualified patient can possess, there has been an increased interest in establishing medical marijuana dispensaries throughout the state as well as local interest. He noted the City has received business license applications from local citizens requesting approval for dispensaries within the City of Rio Dell however existing City code does not address this type of use in any of the established zones. He further stated that a number of local police department's have put into place similar interim urgency ordinances imposing temporary moratoriums on the establishment and operation of marijuana dispensaries until such time land use issues can be reviewed.

A public hearing was opened at 6:38 P.M. to receive public comment on the proposed ordinance.

APRIL 20, 2010 MINUTES

Page 2

Ryan Gilruth, stated he realized there is a grey area in regard to this type of business being an allowable use and was not really familiar with how the planning process works in the City but said times are changing and he would like to see the City find a way to make this work for everyone involved.

Jean Pyhtila, business license applicant for *Green Heart Medical Marijuana Dispensary* was present in the audience and offered to answer questions about her proposed business. She commented to the Council that the best way to do a study and fairly evaluate the situation is to allow the use on a temporary basis to see how it is working.

There being no further public comment, the public hearing closed at 6:40 P.M.

Motion was made by Thompson/Dunker to approve making the necessary finding under Government Code Section 65858 that, to protect the public health, safety and welfare, an urgency measure in the form of an interim ordinance is necessary to prohibit uses that may be in conflict with a general plan, specific plan or zoning proposal that the legislative body or planning commission is considering or intends to study within a reasonable period of time. Motion carried 5-0.

Motion was made by Marks/Dunker to approve Ordinance No. 265-2010 *An Interim Urgency Ordinance of the City of Rio Dell Authorizing a Moratorium on the Illegal Establishment and Operation of Medical Marijuana Dispensaries within the City of Rio Dell Pursuant to Government Code Section 65858*. Motion carried 5-0.

Motion was made by Dunker/Marks to refer the item to the Planning Commission for their consideration as what would be a new use in the zoning ordinance, proposed by the public, and which may require a CEQA review and amendment to the City's General Plan. Motion carried 5-0.

Approve and E-Waste Collection Event, authorize the City Manager to execute all necessary documents and approve Resolution No. 1075-2010 for a Revenue and Expense Budget Amendment

Recycling Coordinator Ralston stated as an approved e-waste "collector" the City is able to offer free disposal of e-waste to our citizens while receiving payment for the e-waste from Cal-Recycle through the recycler. She noted in the past the City has held two e-waste collection events per year and she is now proposing that one event be held. As done last year, she said the plan is to contract with ECS Refining due to the success of last year's event. One concern had to do with identity privacy issues with the disposal of computer hard drives and she noted that this company specializes in this type of thing so security issues would not be a problem. The estimated expenses for the event were expected to be around \$2,000 which would be offset with anticipated revenue of \$4,000.

The recommended action was to approve the e-waste collection event, authorize the City Manager to execute all necessary agreements, and approve the Resolution approving the necessary budget amendments.

Ralston said in regard to advertising, she was considering coordinating with HWMA who is assisting McKinleyville with their event to share on advertising costs. Also a flyer would be going out regarding information about the May 9th Spring Clean-Up Event and the flip side of that flyer will have information about the e-waste event. She announced the e-waste event would be open to all citizens; not just Rio Dell residents.

Motion was made by Dunker/Marks to approve an e-waste collection event, authorize the City Manager to execute all necessary agreements, and approve Resolution 1075-2010 for a revenue budget amendment to line item 4920-00-27 in the amount of \$4,000 and an expense budget amendment in the amount \$4,000 to line items 5000-00-027 (salaries), 5105-00-027 (advertising), and 5115-00-027 (contract professional services). Motion carried 5-0.

Approve Resolution No. 1076-2010 designation of authorized representatives with State of California Department of Transportation for the Wildwood Ave. Paving and Pedestrian Improvement Project

Acting Director of Public Works Jensen stated this has to do with the use of ARRA Funds administered through the State Department of Transportation for the Wildwood Ave. Paving and Pedestrian Improvement Project. One of the funding requirements of the Department of Transportation is that the City adopts a Resolution identifying the officials authorized to execute agreements for the City.

Motion was made by Dunker/Thompson to approve Resolution No. 1076-2010 *Designation of Authorized Representatives State of California Department of Transportation for the Wildwood Avenue Paving and Pedestrian Improvement Project*. Motion carried 5-0.

SPECIAL CALL ITEMS

Approve Support for Councilmember Thompson's offer to serve as a City Representative to the Local Agency Formation Commission (LAFCo)

Councilmember Dunker stated he requested this item be removed from the consent calendar for clarification purposes. He said the attached letters from LAFCo and HCAOG mention the notice of vacancy so that the Council may consider candidates to fill the appointment however, he didn't recall the letter going out to all Councilmembers. He also pointed out an error in Councilmember Thompson's memo to the Mayor stating that his term of office on the City Council was noted as 2009-2014 stating it should read 2009-2012. He also questioned the statement about being selected in January, 2009 as the City's representative to LAFCo. Councilmember Thompson explained at the time the appointments were made by the Mayor,

Bud Leonard was still serving on the LAFCo Board and now that there is a vacancy, he is requesting that the request for appointment be considered.

Motion was made by Dunker/Marks to support Councilmember Thompson's offer to serve as a City Representative to the Local Agency Formation Commission (LAFCo). Motion carried 4-0; 1 abstain (Thompson).

Approve Amendment 4 to the Scope of Services for CEQA, Bid Period Services, Caltrans Reporting and Construction Management relating to the Wildwood Ave. Paving and Pedestrian Improvement Project in the amount of \$87,000

Councilmember Marks stated she requested this item be removed from the consent calendar for clarification purposes and referred to page 4 of the Amendment Agreement from Winzler & Kelly under 3.7 *Funding and Reporting Requirements* where it talks about responsibility of the City to compile payroll reports, check for labor compliance and document and submit ARRA monthly reporting and asked if there was the possibility of contracting out the accounting tasks. Finance Director Beauchaine stated the City does intend to contract out those services and would be coming back at the next meeting with a recommendation to approve those contract services.

Council expressed concern over the cost of some of the engineering line items on the Project Estimating Sheet; Finance Director Beauchaine explained ARRA reporting was very labor intensive and that a majority of the expense is for contract administration; not engineering.

Acting Director of Public Works Jensen stated he met with Winzler and Kelly for approximately 2 hours and looked at ways to reduce project costs and were able to cut expenses from \$108,000 to \$87,000 under the Scope of Services.

Motion was made by Marks/Dunker to approve Amendment 4 to the Scope of Services for CEQA, Bid Period Services, Caltrans Reporting and Construction Management relating to the Wildwood Ave. Paving and Pedestrian Improvement Project in the amount of \$87,000. Motion carried 5-0.

Public Hearing – Unmet Transit Needs

Finance Director Beauchaine stated the purpose of the public hearing is to receive input on unmet transit needs and is the first step in the application process for acquiring the City's Annual TDA Allocation. She said the City's projected allocation for FY 2010-2011 is expected to be approximately \$15,000 less than last year's allocation of \$100,000 as a result of the declining State economy including reduced sales tax revenue and loss of State Transit Assistance Funds shifted to educational school bus school programs.

The public hearing was opened at 7:14 P.M. to receive public input on Unmet Transit Needs in the community.

APRIL 20, 2010 MINUTES

Page 5

John Coleman, resident of Monument Road asked if studies were done to show the number of riders using the transit system.

Al Petrovich, Eeloa Ave., asked how citizens know about the public hearing if they are not notified; Beauchaine explained the process for posting notices of public hearings and said citizens also have the opportunity to voice their opinion at the County level and at public hearings held at the other cities in the County.

Councilmember Barsanti stated the local Senior Center is in the process of relocating to the old VFW hall on Monument Road and said there was concern about no parking at that location which may create transportation problems for seniors and asked staff to verify that Senior Resource Center would provide rides for seniors if needed. City Manager Stretch said that his comments would be forwarded to HCAOG.

Councilmember Dunker suggested someone from the Senior Center attend the public hearing at the County and express their concerns.

There being no further public comment, the public hearing closed at 7:18 P.M.

Motion was made by Dunker/Marks to direct staff to forward the comments received during the public hearing regarding unmet transit to HCAOG. Motion carried 5-0.

Approve Anticipated Schedule of Agency Actions necessary to Contract with the California Public employees Retirement System (CalPERS) for Employee Retirement Benefits

Interim City Manager Stretch stated as the Council is aware; there are employee contracts in place that mention that the City will study the feasibility of entering into the CalPERS Program. He said actuarial valuations were done for both the City safety members and miscellaneous employees. He explained the CalPERS plan for both safety and miscellaneous employees requires an employee contribution of 7% of base salary whereas the employer's contribution is 7.509% for miscellaneous employees and 11.553% for safety employees. A general meeting was held for all employees on April 9, 2010 with a representative from ICMA to go over the proposed PERS program and costs, and to review the ICMA 457 plan option which the City would discontinue contributing to if the City and employee groups opt for CalPERS. If both the City Council and employee groups agree to contract with the CalPERS system for retirement benefits, their MOU's would have to be reopened, negotiated and amended.

An "Anticipated Schedule of Agency Action" form must be completed and returned to PERS to begin the contract process. Once they receive the schedule, they will provide the sample resolution, ballots for the employee groups, and a sample ordinance. He said the first action by the Council will be on May 18, 2010 in which the Council will need to meet at 4:30 P.M. to participate in a conference call or in person with a PERS representative.

APRIL 20, 2010 MINUTES

Page 6

City Manager Stretch continued with an explanation of the formula for a basic PERS plan option of 2% @ 60 which was recommended for the miscellaneous employee group.

Motion was made by Thompson/Marks to approve the "Anticipated Schedule of Agency Actions" necessary for contracting with CalPERS for employee retirement system benefits; and schedule the Council meeting of May 18, 2010 to begin at 4:30 P.M. with CalPERS set as the first agenda item. Motion carried 5-0.

Authorize the Expenditure of \$1,400 for a Title Search and Mapping of the City's Monument Springs (APN 205-041-014 (5.539 acres))

Interim City Manager Stretch stated this item is coming forward at the Council's direction for him to seek legal counsel as to the matters of right of access and the water line easement associated with the Monument Springs.

He continued by providing some history on the use of the springs and the historic access to the parcel in question. He explained that although the City no longer uses the springs as part of the City's water system, it does continue to supply water to three small water tanks on the site and adjoining property owners have tapped into the tanks for their domestic use, under a claim of reserved rights by grant deeds. He said the City also has a 2" water line running from the water main on Monument Road along Old Ranch Road that goes to a holding tank near the City's springs which serves 4 properties. Due to a slip out, the road to the City springs is no longer accessible by vehicle and the City's water line is now lying on the surface of the slide.

He stated that City staff believes that there is a deeded right of access and an easement for water lines along Old Ranch Road but some property owners in the area either do not agree or believe that they control the access to some degree. If the City is going to continue to maintain access and supply water to the property owners, these questions need to be addressed as well as the matter of water rights from the springs at some point.

William Abbott of the law firm Abbott & Kindermann in Sacramento advised the City to begin with a title search and then a licensed Surveyor or Engineer to plot the property boundaries on a computer program before going to the added expense of having the attorneys researching the deeds dating back to 1917.

Councilmember Marks said it was her understanding that the issue had to do with excessive maintenance required by public works due to repeated breaks in the water line and asked if it is becoming the issue of the City no longer supplying water to those residents. City Manager Stretch stated that is not the issue tonight but to authorize the expenditure for a title search and mapping of the Monument Springs to settle the matter of access and the water line easement.

Motion was made by Dunker/Thompson to authorize the expenditure of \$1,400 to have a title company conduct a "Condition of Title Report" and a licensed Land Surveyor to map the City

owned parcel (APN 205-041-014) commonly referred to as Monument Springs (5.539 acres), with authority for the Interim City Manager to sign contract documents. Motion carried 5-0.

Approve Mid-Year Budget Review Budget Amendments

Finance Director Beauchaine stated a Special Meeting was held on April 16, 2010 for a Mid-Year Budget Review and at that time the Council reviewed the budget amendments as recommended and asked that the amendments be brought back for approval at this meeting.

Beauchaine briefly reviewed the budget amendments as recommended stating they were largely due to several unexpected projects.

Councilmembers expressed concern about not being provided adequate time to review and discuss the proposed budget amendments and asked if there was an urgency for approval; City Manager Stretch commented that because the information was presented to Council at the last minute on the 16th, it was his understanding that councilmembers would go to staff with questions prior to this meeting. Finance Director Beauchaine said she was concerned with delaying approval in regard to two amendments on the expenditure side because of two projects that are underway that could exceed appropriations limits.

Councilmember Marks stated she didn't feel it was appropriate to use public works funds to fund general fund expenditures and did not want to see projects under funded for that reason.

A Special Meeting was scheduled for April 26, 2010 at 9:30 A.M. for further discussion and approval of mid-year budget amendments and to discuss the development of the 2010-2011 Budget.

PUBLIC PRESENTATIONS

John Coleman, Monument Road, commented on the new look of the City Council Chambers and said it's always good to see change in a positive way.

REPORTS/STAFF COMMUNICATIONS

Interim City Manager Stretch reported on recent activities and meetings and announced there would be a meeting in Scotia tomorrow with LAFCo so they can learn about what a CSD does and what it would mean to annex the Town of Scotia with Rio Dell. He noted City staff was prepared to make a presentation and said he was anxious to have the opportunity for Rio Dell to give the facts and clear up any mis-information.

A meeting was scheduled for May 11, 2010 at 6:30 P.M. to allow both Rio Dell and Scotia residents the opportunity to ask questions regarding the annexation. City Manager Stretch stated flyers would be distributed around town and mailed to all Scotia residents in addition to a notice

in the Rio Dell-Scotia Newsletter.

Acting Public Works Director Jensen reported on recent activities in the public works department stating he had been contacted by SHN Engineering regarding the availability of ARRA funds for installation of new bus stops in Rio Dell; the Edwards Dr. gate project was completed and the key was provided to the police department; the sink hole on S. Sequoia Ave. was repaired as a temporary fix; the condition of Wildwood Ave. was quickly deteriorating and was pleased to report the Wildwood Ave. Paving Project would be beginning in a few weeks; reported on the failure of two water pumps stating there were repaired and back in operation; said security was increased with additional fencing at the control building at the infiltration gallery because of kids hanging out on the roof; reported the wastewater project was going well; reported on failure of the blower in the chlorine room; they were working on retro-fitting of one of the old bathrooms at the yard; continuing with CTR testing as part of the anti-degradation project; and stated as part of Earth Day activities they would be working with 13 Girl Scouts and planting trees at the Davis St. Park. He drew attention to the display put together by Recycling coordinator Ralston regarding Earth Day events.

Chief of Police Hill stated he had nothing to report at this time.

Finance Director Beauchaine reported on recent activities in the finance department stating that she had several projects underway and had a conversation with the City Manager regarding the investment of City funds. She reported the City's investments were currently being deposited into L.A.I.F. with a current yield of approximately .5%. She explained that when we look at investments, we look at liquidity and yield risk and in speaking with the County regarding their investment program, they are yielding approximately 1.8% however they have restrictions on the number of draws that are allowed per year which would be a concern of the City since our investments often act as bridge financing while waiting for reimbursement from the state on projects. Her recommendation was that the City continue to invest with L.A.I.F. so that we have easy access to our funds.

Councilmember Marks asked if the City was still balancing funds between U.S. Bank and L.A.I.F.; Beauchaine noted that we were; carrying an approximate balance of \$500,000 in U.S. Bank and \$300,000 in L.A.I.F.

ANNOUNCEMENT IN OPEN SESSION OF ITEMS TO BE DISCUSSED IN CLOSED SESSION AS FOLLOWS:

- 1) Public Employee Appointment – Title: City Manager (Government Code Section 54957)
- 2) Conference with Labor Negotiator; the City's Designated Representative City Manager Jim Stretch Concerning Rio Dell Employees Association and Rio Dell Police Officers Association (Government Code Section 54957.6)

- 3) Real Property negotiations (Mozzetti) Property: 29 acre parcel Northwestern Ave. Agency Negotiator: Jim Stretch, City Manager. Under negotiation: Price, Terms and other Conditions (Government Code Section 54956.8)
- 4) Real Property negotiations: Robert Rovai. Property: 72 sq. ft. parcel (APN 205-111-007 Northwestern Ave.) Agency Negotiator: Jim Stretch, city Manager. Under negotiation: Price, Terms and Other conditions (Government Code Section 54956.8)

Mayor Woodall announced the City Council would be recessing into closed session to discuss the above noted items and asked for public comment. There being no public comment, the Council recessed into closed session at 8:35 P.M.

The regular meeting reconvened at 9:30 P.M. Mayor Woodall announced there was no reportable action taken in closed session.

ADJOURNMENT

There being no further business to discuss, the meeting adjourned at 9:32 P.M. to the April 26, Special Meeting.

Julie Woodall, Mayor

Attest:

Karen Dunham, City Clerk